GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

WRD - HNSS Project, Phase II - Deletion of balance works under clause 60 (c) and entrusting the deleted works of 8 packages i.e., 21,22,27,28,29,62,63 & 64 under HNSS Phase-II to the new agencies by tender system to conclude agreement to facilitate release of payments to the new agencies to ensure completion of works as per schedule - Ratification Orders – Issued.

WATER RESOURCES (PROJ.III) DEPARTMENT

GO Rt No.473 Dated:05.07.2018

Read the following:

1) From the Chief Engineer, NTR TGP, Tirupati, Lr.No.CE/NTRTGP/ TPT/ TS/TS/ T5/F, dated:30.04.2017,
2) From the Chief Engineer, NTR TGP, Tirupati, Lr. No.CE/NTR TGP/TPT/TS/T5/ HNSS.Packes, dated:03.06.2017.
3) Govt Memo No.21024/27/2017/WRD, dated:07.06.2017
4) From the ENC (I), Vijayawada Lr.No: ENC (I)/DCE(GDS)/ OT2/ AEE4/ SLSC/HNSS Ph.II, dated:07.02.2018.
5) From the Chief Engineer, NTR TGP, Tirupati Lr No.CE/NTR TGP/TS/T5/HNSS Ph.II/ MPL/Packages, dated:21.02.2018.
6) From the Chief Engineer, NTR TGP, Tirupati Lr No. CE/NTR-TGP/TPT/TS/TS/T5/HNSS Ph.II/ MPL/Packages, dated:04.04.2018.

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ORDER:

In the references 1st, 2nd and 5th to 6th read above, the Chief Engineer, NTR TGP, Tirupati has informed that the EPC Agencies could not execute the balance works of Packages 21,22,27,28,29,62,63 & 64 of HNSS Project Phase-II within the stipulated period of Agreement and EOTs. But, the EPC agencies are not responding positively to complete the works. Several notices were issued to the agencies as per rules in vogue. The agencies are reluctant to complete the balance works. The Government of A.P. was addressed for permission for deletion of balance works under 60 (c) from the existing agencies and entrustment to new agencies by calling tenders. As it is prioritized project, tenders were floated in anticipation of Government approval to complete the balance works in main canal of said packages as per Govt.Memo.No.3810/Reforms/A1/2015-2 Dt.04.04.2015, duly deleting the balance work of Canal & Structures from the original agencies under clause 60 (c) of PS to APDSS. The evaluation reports were submitted to the COT, Vijayawada and the L1 bidders were finalised.

2. In this regard, the Chief Engineer has stated that there is no extra financial burden on Government for these Packages as the sum of new Agreement amount and work done value is within the limit of original Technical sanctions, accorded by the HOD office during 2007-08 for concluding Original Agreements as detailed below:

Total Technical sanction Value	Rs. 760.410 Crores
Total old Agreement Value	Rs.521.390 Crores
Total Work done value	Rs.504.290 Crores.
Total Deleted value	Rs.17.100 Crores
New Agreement value (TCV)	Rs.95.920 Crores
Value of Work done and TCV	Rs.600.210 Crores.
Value of Revised Estimate sanctioned vide G.O.Rt.No.154 Dt.25.02.2016	Rs.779.512 Crores.

3. The Chief Engineer has further stated that all these Package works put together the total financial implication amount is Rs.600.210 Crores which is less than the original Technical Sanctioned Amount i.e., IBM value Rs.728.000 crores and also less than the R.E sanctioned vide G.O.Rt.No.154, WR (Proj.III) Dept., Dt.25.02.2016. Hence, there is no additional burden to the Government due to present tenders for the balance work.

4. The Chief Engineer, NTR TGP, Tirupati has therefore requested the Government to accord permission to conclude the agreements as the works are to be taken up on top priority and to be completed as per schedule and the agencies can commence the work after concluding the agreements only.

5. In the Govt Memo 3rd read above, the ENC (Irrigation), Vijayawada was requested to furnish his specific report on the proposal of Chief Engineer, NTR TGP, Tirupati.

6. In the reference 4th read above, the ENC (Irrigation), Vijayawada submitted his report as under:

i)	As per G.O. Ms.No.50, Dt:02.03.2009, EPC Code of contracts, when the revised value of deleted portion of the work exceeds by 5% of the original value, approval of the Government is required.
ii)	Deletion under clause 60 (c) should be referred to SLSC and with the recommendation of the SLSC, approval of the Government should be obtained.
iii)	It is observed that in 3 Packages viz. 27, 28 &29, percentage excess is 6.9%, 2.17% and 7.18% respectively when compared to original IBM.
iv)	Further, in respect of packages 21,22,62,63 & 64, the revised cost is excess by 33.24%, 21.17%, 26.59%, 20.42% and 25.30% respectively.
v)	All the 8 works are grounded and are in progress and payments are held up for want of approval/ratification from the Government.
vi)	On account of deletion of structures from the above packages and entrusting them to new agencies through tender process after recasting with current SSR, there will be financial implication. The Chief Engineer should assess the cost of deleted structures from the original Agency and got them approved from Government after getting recommendation from SLSC. Further the Chief Engineer should get the approval of Government or appropriate authority as per G.O.Ms.No.50 for the works entrusted to new Agencies wherever the extra financial implication is there. In all cases where the financial implication is more than 5%, the approval of the Government is to be obtained. Therefore the Chief Engineer may be requested to initiate immediate action to get approval of Government for (i) The value of deleted part of work from the original Agencies to reduce the contract price of those Agencies and (ii) Entrusting the works to new Agencies through tender process wherever the financial implication is more than 5%.
vii)	In the present cases, all the deleted works have been entrusted to new Agencies and works are in progress. The Chief Engineer has also informed the Government and sought the ratification orders of Government for deletion of those works and sought permission of Government to concluded agreements with new Agencies.
viii)	Further, it is reported that there is urgency to complete these structures to release water to HNSS Phase.II system including branch canals in Chittoor District as per schedule i.e. Punganur Branch canal by 2/2018 and remaining canals by 4/2018.
ix)	As payment to the new agencies for the work done is kept under hold by Pay and Account Officers, the agencies are suffering from cash flow problem which intern is affecting the works.
x)	Under these circumstances, the action of the Chief Engineer in entrusting the deleted works to new Agencies by tender system may be considered for ratification in the first instance to facilitate release of payments to the new agencies to ensure completion of works as per schedule. Meanwhile, the Chief Engineer may be requested to submit proposals for all the referred packages where financial implication is more than 5% for getting the approval of the Government. Further the Chief Engineer also may be requested to submit proposals for finalization of the value of deleted works under clause 60 (c) so as to reduce the contract value of original Agencies besides taking appropriate action as per rules on the original Agencies.

7. The Government after careful examination of the matter, hereby ratify the action taken by Chief Engineer, NTR TGP, Tirupati for deletion of balance works under clause 60 (c) and entrusting the deleted works of 8 packages i.e., 21,22,27,28,29,62,63 & 64 under HNSS Phase-II to the new agencies by tender system as detailed below to conclude agreement to facilitate release of payments to the new agencies to ensure completion of works as per schedule:

Value of these works in over all Revised Estimate sanctioned for HNSS Phase.II (vide GO Rt No.154, dt:25.02.2016)	Rs.779.512 Crores.
Total Technical sanction Value	Rs. 760.410 Crores
Total old Agreement Value	Rs. 521.390 Crores
Total Work done value	Rs. 504.290 Crores.
Total Deleted value	Rs.17.100 Crores
New Agreement value (TCV)	Rs.95.920 Crores
Total value of work done = Value of Work done + TCV :	Rs. 600.210 Crores (Rs.504.29+Rs.95.920= Rs. 600.210 Cr).

8. The Chief Engineer, NTR TGP, Tirupati is also requested to take action as under:

i)	to submit proposals for all the referred packages where financial implication is more than 5% for getting the approval of the Government.
ii)	to submit proposals to Government for finalization of the value of deleted works under clause 60 (c) so as to reduce the contract value of original Agencies besides taking appropriate action as per rules on the original Agencies.

9. The Chief Engineer, NTR TGP, Tirupati shall take necessary action accordingly.

10. This order issues with the concurrence of Finance (FMU.WR.II) Department vide their UO No.48022/45/FMU.WR.II/2018, dt:05/07/2018 .

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHASHI BHUSHAN KUMAR
SECRETARY TO GOVERNMENT

To
The Chief Engineer, NTR TGP, Tirupati.
Copy to:
The Director of Works & Accounts, Vijayawada
The Finance (FMU.WR.II) Department
The Accountant General, AP, Hyderabad
The PS to Hon'ble Minister (WRD)
The PS to Secy (WRD)
File No. WRD-21024/27/2017/WRD
SF/SC

//FORWARDED :: BY ORDER//

SECTION OFFICER